

Arizona's Child Care Recovery Plan

CCDF Stabilization Funding Implementation (FY 2022-2024)

*Supporting the well-being and economic independence of Arizona's families
by providing quality child care assistance and services.*

Updated: July 2021

Child Care and Development Fund: National

Major funding impact to the child care network since March 2020

- Since the onset of COVID-19, Congress has sought to stabilize the child care industry with an influx of emergency Child Care funding, including:
 - \$3.5 billion in the *Coronavirus Aid, Relief, and Economic Security Act* in March 2020
 - \$10 billion in the *Coronavirus Response and Relief Supplemental Appropriations Act, 2021* in December 2020
 - \$39 billion in *American Rescue Plan Act, 2021* in March 2021



Child Care and Development Fund: Arizona

Funding Impact to Arizona Child Care and Development Fund

- \$88 million: CARES Act (March 2020)
- \$248 million: CRRSA (December 2020)
- \$968.6 million: ARPA (March 2021)

Total: Over \$1 billion for Arizona's CCDF program (*to be expended between March 2020-June 2024*)

→ Arizona's regular CCDF allocation is approximately \$200 million

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Thanks to \$1.2 billion in relief funding from the federal government, the Child Care Administration is rolling out support to Arizona's child care providers to help them recover and rebuild after COVID-19.

Priorities

- Expand access to care
- Invest in quality
- Stabilize the child care network
- Accelerate educational support and early childhood literacy

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Total of 20 strategies and an increased investment of \$1.2 billion in Arizona's early childhood education and child care network

(July 1, 2021-September 30, 2024)

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Priority: Expand Access to Child Care

Ensure access to quality child care for low-income working families by providing financial stabilization to support and maintain Arizona's child care network while supporting growth and sustainability.

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Expand Access to Child Care

1. Continue the Suspension of the Child Care Wait List
2. Increase Reimbursement Rates
 - DES reimbursement rates: 50th percentile*
 - DES infant and toddler rates: 75th percentile*
 - All DCS reimbursement rates: 75th percentile*
 - Full-day reimbursement rates for children served through DCS
 - Increase for all DES Non-Certified Relative Providers
3. Child Care for Returning Workers (beginning June 1, 2021)

*2018 Market Rate Study. All DES contracted providers will sign a new rate agreement, effective October 1, 2021.

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Priority: Invest in Quality Systems

In order to adequately address the current instability of the child care industry and ensure Arizona's families have access to quality child care settings that will best support them and their children, providers must have supports that ensure continued operation and simultaneously address other inequities in the system.

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Invest in Quality Systems

1. Expand the State's Quality First Program
 - Focus on critical gaps in access to care: DES contracted providers, serving children in DCS care, Spanish speaking providers, tribal providers, expanding supply of infant/toddler care.
 - Provide Early Childhood Mental Health Consultation to all Quality First programs serving children in DCS care
2. Establish Quality for School-Age Programs
 - Implement a statewide accreditation program for a school-age quality system.

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Invest in Quality Systems

3. Assist Providers in Receiving Quality National Accreditation
 - Reinstitute the Arizona Self-Study Project and prioritize programs for school-age children and those not served by the Quality First expansion
4. Increase Tiered Reimbursement Rates
 - Providers with Quality First 3-star, 4-star, 5-star rating, or that are nationally accredited, will receive a tiered reimbursement rate of 35%.

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Invest in Quality Systems, cont.

5. DHS Licensing Modernization
6. Improving Business Practices for Child Care Providers
 - Connecting Data to State Systems: Child Care Management System
 - AZToolkit
 - Training and technical assistance for DES contracted providers

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Invest in Quality Systems, cont.

7. Early Childhood Education Data & Strategic Planning
 - Build a common framework for data integration and fiscal mapping
 - Evaluation to assess impact of investments
8. Cover the Cost of Health and Safety Certifications
9. Administrative Infrastructure

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Priority: Stabilize the Child Care Network

Focus on stability and ensuring widespread access to quality child care through supports for providers across the state, including: help with operating costs of providers to prevent closures, retaining the early childhood education and child care workforce, and ensuring that Arizona families continue to have access to quality options when choosing child care.

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Stabilize the Child Care Network

1. Extend the Essential Workers Child Care Relief Scholarship through August 31, 2021
2. Child Care Workforce Retention & Recruitment Grant Program
 - Grants awarded in June 2021 (funds must be spent by 9/30/21)
 - Child care providers with staff must use on child care workforce salaries and benefits

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Stabilize the Child Care Network, cont.

3. CCDF Child Care Stabilization Grants (Up to 10% can be used for sub-grants to help build supply), including but not limited to:
 - a. Direct supports to child care providers and the child care workforce.
 - b. Targeted funding for technological or capital improvements.

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Priority: Accelerate Educational Supports and Early Childhood Literacy

Support parents in need of child care who are seeking to increase skills to move toward greater self-sufficiency and higher income jobs; and

Increase the knowledge of early childhood educators and families to strengthen and sustain effective teaching and early childhood literacy practices in communities.

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Accelerate Educational Supports and Early Childhood Literacy

1. Child Care for Students in Early Childhood Education, K-12 Education or Nursing Degree Programs
2. Expand Child Care for Full-Time Students in Higher Education or Vocational Programs
3. Improve and Expand Preschool Curriculum

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Accelerate Educational Supports and Early Childhood Literacy, cont.

4. Accelerate Early Childhood Literacy: Invest in Arizona's Early Literacy Policy Framework
 - Build educator capacity
 - Provide intensive literacy coaching
 - Expand high quality early childhood programming, focusing on literacy support for children ages 3 and 4 years
5. Expand Imagination Library to Families with Children Birth to 5 Years

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Next Steps:

Over the course of the next three fiscal years, the Arizona Child Care Administration will work in partnership with state agencies and community organizations to implement the recovery plan, including the Child Care Stabilization Grants that will go directly to eligible child care providers.

Stay Updated! des.az.gov/services/child-and-family/child-care